



# County of Roanoke

## **FINANCE DEPARTMENT PURCHASING DIVISION**

Kay S. Johnston, CPPB, Buyer  
5204 Bernard Drive SW, Suite 300F  
Roanoke, VA 24018  
(540) 772-2061 ext. 306  
(540) 561-2828 (FAX)

### **REQUEST FOR PROPOSALS**

**RFP CP #0751**

for

**PROFESSIONAL AUDITING SERVICES  
for  
Roanoke Valley Resource Authority**

*One (1) Original and five (5) copies of Sealed Proposals*

**Due  
February 15, 2007**

**3:00 PM  
(Local Prevailing Time)**

**January 22, 2007  
RFP CP #0751  
Professional Auditing Services  
Roanoke Valley Resource Authority**

The County of Roanoke, Virginia on behalf of the Roanoke Valley Resource Authority (the "Authority"), is requesting formal sealed proposals from interested firms to provide the Authority with professional auditing services. The attached scope of services is submitted for your review and consideration.

**SUBMISSION OF THE PROPOSAL**

One (1) original and five (5) complete copies of the sealed proposal will be accepted at and until **3:00 PM (local prevailing time) on Thursday, February 15, 2007**, at the Department of Finance, Purchasing Division, 5204 Bernard Drive, Suite 300F, Roanoke VA 24018. As this is a sealed formal Request for Proposal, faxed proposals will **NOT** be accepted. Proposals not received by the date and time listed above will be returned to the Offeror unopened. The proposal package must be clearly marked with "**RFP CP #0751 Audit Services**".

Proposals should be complete. Any inquiries regarding this proposal shall be in writing and sent to Kay S. Johnston by fax (540) 561-2828 or emailed to [kjohnston@roanokecountyva.gov](mailto:kjohnston@roanokecountyva.gov) or mailed to the above address. Questions received within five (5) days of the proposal closing date will be attempted to be answered, but will not be reason to delay the closing time of the proposal. All inquiries will be responded to via fax or email to all known firms in the form of an addendum.

The County of Roanoke/Authority shall provide the mechanism for the evaluation of all information received, the final determination of responsible Offeror and reserves the right to waive informalities and irregularities and to accept or reject any or all proposals.

As this is a request for proposals, all responses shall be opened in private with no information regarding the identity or the contents being released until after the negotiation process.

## **COUNTY OF ROANOKE REQUEST FOR PROPOSALS**

### **I. INTRODUCTION**

#### **A. General Information**

The County of Roanoke is requesting proposals from qualified firms of certified public accountants to audit the financial statements of the Roanoke Valley Resource Authority for the fiscal year ending June 30, 2007, 2008, 2009 with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Proposals submitted will be evaluated by the Audit Selection Committee. The selection criteria to be used in evaluating this proposal are detailed in section VIII and include both technical ability and timeliness of audit. We anticipate that the selection of a firm will be completed by March 15, 2007.

#### **B. Term of Engagement**

A three (3) year contract is contemplated with the option for two subsequent fiscal years, not to exceed a maximum of five years, subject to the annual review and recommendation of management, the satisfactory negotiation of terms (including a price acceptable to both the County of Roanoke and the selected firm), the concurrence of the County of Roanoke, and the annual availability of an appropriation.

### **II. NATURE OF SERVICES REQUIRED**

#### **A. General**

The County of Roanoke is requesting the services of qualified firms of certified public accountants to audit the financial statements of the Roanoke Valley Resource Authority for the fiscal year ending June 30, 2007, 2008, and 2009, with the option to audit the financial statements for each of the two subsequent fiscal years not to exceed a maximum of five years. These audits are to be performed in accordance with the provisions contained in this request for proposal.

#### **B. Scope of Work to be Performed**

The County of Roanoke desires the auditor to express an opinion on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.

**C. Auditing Standards to Be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

**D. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the County of Roanoke of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- County of Roanoke
- Roanoke Valley Resource Authority
- Parties designated by the federal or state governments or by the County of Roanoke as part of an audit quality review process

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**III. REPORT PREPARATION**

**Reports Issued**

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards (if applicable) in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements. In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.
3. A report on compliance with specific debt covenants in applicable bond indentures.
4. A report on agreed upon procedures for the landfill liability.

5. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the entities Board of Directors.

#### **Reporting to Board of Directors**

Auditors shall assure themselves that the Board is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards;
2. Significant accounting policies;
3. Management judgments and accounting estimates;
4. Significant audit adjustments;
5. Other information in documents containing audited financial statements;
6. Disagreements with management;
7. Management consultation with other accountants;
8. Major issues discussed with management prior to retention;
9. Difficulties encountered in performing the audit.

#### **IV. DESCRIPTION OF THE ENTITY**

The Roanoke Valley Resource Authority was established on October 23, 1991 as a tax exempt political subdivision within the Commonwealth of Virginia to acquire and construct a regional sanitary landfill and a waste collection transfer station with related treatment facilities. The charter members are the City of Roanoke, County of Roanoke and the Town of Vinton. Prior to October 23, 1991, the operations of the Authority were accounted for as an enterprise fund of the County of Roanoke. As of October 23, 1991, under agreement between the City, the County and the Town, the County transferred all existing assets and liabilities to the Authority.

The Authority is a separate legal entity, and as such has its own capacity for borrowing. The debt of the facility will not show as an obligation of any of the participating localities.

The Authority prepares its budgets on a basis of accounting consistent with generally accepted accounting principles.

The Authority employees participate in the Virginia Retirement System Pension Plan through the County of Roanoke and the County of Roanoke deferred Compensation plan. Also, certain employees participate in the City of Roanoke Pension Plan.

The City, County and the Town are each responsible for their pro rata share, based on population, of any year-end operating deficit or capital expenditures, if additional funding is required. The Authority is responsible for paying all outstanding debt.

### **Other Information**

- The County of Roanoke is the fiscal agent for the Roanoke Valley Resource Authority.
- Financial Software-Tier Technologies-Performance Accounting and Purchasing provides for a trial balance. Data is imported into Crystal Reports which then prints a P&L Statement.
- Debt Activity-Debt refunding of \$10 million each, issued in 1998 and 1999.

## **V. TIME REQUIREMENTS**

### **A. Proposal Calendar**

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	January 22, 2007
Due date for proposals	February 15, 2007
Selected firm notified	March 15, 2007
Contract Date	July 1, 2007
Date Audit May Commence	After contract awarded

The Auditor's will need to work with Finance staff to determine the scheduling of entrance conferences, interim work, audit plan, fieldwork, draft reports, progress reporting and exit conferences once the contract is awarded.

## **VI. ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

### **A. Staff and Clerical Assistance**

The County of Roanoke Finance department, Roanoke Valley Resource Authority staff, and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor.

### **B. Location of Records**

County of Roanoke Finance Office and Roanoke Valley Resource Authority

### **C. Statements and Schedules to be Prepared by the Staff of the County of Roanoke:**

1. A final trial balance of each fund;
2. A final trial balance of each subsidiary ledger;
3. A copy of the final budget for the audit period and the related budget ordinances.
4. A copy of all project ordinances and all amendments thereto, for all projects beginning during the audit period or not fully completed prior to the period.

5. A schedule of insurance in force during the year and of insurance expense for the year.
  6. A schedule of investments pooled cash or all funds at statement date, showing both book values and estimated marked value at statement date, which are audited by KPMG.
  7. A schedule of accounts payable at statement date.
  8. Copies of contracts in force at statement date of a material amount.
- D. Report Preparation, Editing and Printing (Respond to each separately).
1. Report preparation, editing and printing shall be the responsibility of the County staff
  2. Report preparation, editing and printing shall be the responsibility of auditor.

## **VII. PROPOSAL REQUIREMENTS**

### **A. Format of the Proposal**

Proposals should be as thorough and detailed as possible so that the County/Authority may properly evaluate your capabilities to provide the required services. The Auditor is required to submit the following items as a complete proposal:

1. Title Page  
  
Show the RFP subject, the name of the Offeror's firm, local address, telephone number, name of contact person and date.
2. Letter of Transmittal and Representations of the Auditor to include:
  - a. The qualifications and experience of the firm in auditing similar entities; including names, addresses, and telephone numbers of persons who may be contacted for reference. The auditing experience should be described in detail, always including scope of work, dates, and type of reports issued.
  - b. A list of the personnel to be assigned to the audit, including a description of their professional qualifications and relevant experience.
  - c. The Auditor's approach to the audit engagement, including minority participation plans, interface with personnel, effects of electronic data processing, audit risk and materiality, and timing of the audit work.
  - d. The name, position and telephone number of the contact person authorized to conduct negotiations and discuss the proposal.

- e. A statement of assurance that the firm is independent in accordance with the Code of Professional Ethics of the AICPA, and will comply with all Federal, State and Local laws and regulations in the performance of this engagement.
- f. A statement indicating the firm's participation in an external quality control review program and a copy of the most recent quality control review report.
- g. A statement of assurance that if the firm's work is referred to a professional organization for review, the firm waives the right to confidentiality and will permit the professional organization to inform the County of its findings.
- h. A statement of assurance that all requirements stated in this Request for Proposal are acceptable and will become a part of the final contract.
- i. The approximate date the audit will begin (including preliminary field work) and end, as well as approximate dates for delivery of the financial statements and/or Auditor's reports.

3. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals should be made to:

Rebecca Owens  
Director of Finance  
County of Roanoke-Finance Department  
5204 Bernard Drive  
Roanoke, Virginia 24018  
540-772-2020 Extension 327

4. Right to Reject Proposals

Proposals shall be signed by an authorized representative of the firm. All information requested must be submitted. Failure to submit all requested information may result in the rejection of the proposal. Mandatory elements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

B. Deadline for Submission

In order to be considered for selection, Auditors must submit a complete response to the Request for Proposal by February 15, 2007 at 3 p.m. One (1) original and five (5) copies of each proposal must be submitted to the County of Roanoke, Purchasing Division, 5204 Bernard Drive, Suite 300F, Roanoke, Virginia 24018.



## **VIII. EVALUATION PROCEDURES**

Proposals meeting the mandatory elements will have their proposals evaluated and scored for technical qualifications. The following represents the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements
  - a. The audit firm is independent and licensed to practice in Virginia.
  - b. The firm has no conflict of interest with regard to any other work performed by the firm for the Roanoke Valley Resource Authority.
  - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
  - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. Technical Qualifications:
  - a. The skill, experience and training of the specified persons who will be performing the service requested.
  - b. The Auditor's understanding of the system of accounting obtained through prior experience or discussion with the appropriate officials.
  - c. The prior experience and reputation of the Auditor in auditing similar entities.
  - d. Ability to complete the audit and submit the financial statements in order to meet required deadlines.

## **IX. SELECTION PROCESS/AWARD OF CONTRACT**

The selection process will be in accordance with Section 2.2-4301 of the Code of Virginia. The County/Authority shall engage in individual discussions with offerors deemed most fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. These discussions may encompass nonbinding estimates of costs.

Once the interviews/discussions are completed, the County/Authority will then conduct negotiations with the offeror ranked first. If a contract satisfactory and advantageous to the Authority can be negotiated at the price considered fair and reasonable, the award shall be made to that offeror. Otherwise negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the County/Authority determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror with the offerer ranked first.

## **X. MEETINGS**

Conferences between the Auditor, responsible staff and management should be scheduled by the selected Auditor before the preliminary work and at the end of field work. The purpose of the meetings is to keep the staff and management informed on the scope and progress of the audit. A draft of the final report shall be presented to staff and management for comments by a deadline to be determined.

## **XI. PAYMENT TERMS**

Interim billings are not to exceed 80% of said fee. Final payment will be made upon approval of the appropriate boards.

## **XII. OTHER MATTERS**

### **GENERAL TERMS AND CONDITIONS**

#### **Compliance with Laws**

The offeror is responsible for compliance with all Local, State and/or Federal laws and regulations. The County of Roanoke / Authority shall be held harmless from any liability.

#### **Ruling Law**

This request for proposals and any contract executed pursuant hereto of which this request for proposal shall be an internal part shall be governed, controlled and interpreted in accordance with the law of the Commonwealth of Virginia.

#### **Nondiscrimination Provision**

During the performance of this contract, the contractor will not discriminate against any employee or applicant for employment because of age, race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

#### **Drug-free Workplace**

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in violation of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with

this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

#### **Cancellation of Contract**

The Roanoke Valley Resource Authority/Roanoke County reserves the right to cancel and terminate any resulting contract, with a 30-day written notice to the contractor. Any contract cancellation notice will not relieve the contractor of the obligation to deliver and/or perform on all services prior to the effective date of cancellation. Cancellation of the contract would become effective the thirty-first day after notification.

The opinion of Roanoke County/Authority as to lack of performance will be final and without appeal.

#### **Antitrust**

By entering into a contract, the offeror conveys, sells, assigns, and transfers to Roanoke County/Authority all rights, title, and interest in and to all causes of the action it may now or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by Roanoke County/Authority under said contract.

#### **Assignment of Contract**

A contract shall not be assignable by the contractor in whole or in part without the written consent of the Authority.

#### **Debarment**

By my signature on this solicitation, I certify that this person/firm/corporation is not currently barred from bidding or proposals on contracts by any agency of the Commonwealth of Virginia or the federal government of the United States of America, nor is this person/firm/corporation a part of any firm/corporation that is currently barred from bidding on contracts by any agency of the Commonwealth of Virginia or the federal government of the United States of America. I have attached an explanation of the previous debarment(s) and copies of notice(s) of reinstatement(s).

#### **Qualifications of Prospective Offeror**

The County of Roanoke or Authority may make such reasonable investigations, as are deemed proper and necessary to determine the ability of the firm proposing to perform the work. The Authority reserves the right to reject any proposal if the evidence submitted by the firm, or investigations of the firm, fail to satisfy the County/Authority that such firm is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.

#### **Immigration Reform and Control Act of 1986**

By submitting their proposals, the Offeror certifies that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986.

**Ethics in Public Contracting**

By submitting their proposals, the Offeror certifies that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction, any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

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### **Proprietary Information**

Ownership of all data, materials, and documentation originated and prepared for the County of Roanoke/ Authority pursuant to the REQUEST FOR PROPOSAL shall belong exclusively to the County/Authority and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in rejection of the proposal.

### **NOTICE OF PROPRIETARY INFORMATION**

Confidentiality References Protection in Accordance with the Code of Virginia, Section 2.2-4342

Section Title	Page Number	Reason(s) for Withholding from Disclosure

**INSTRUCTIONS:** Identify the data or other materials to be protected and state the reasons by using the codes listed below. Indicate the specific words, figures, or paragraphs that constitute trade secrets or proprietary materials. The classification of an entire bid or proposal document, line item prices, and/or total bid or proposal prices as proprietary or trade secret is not acceptable and will result in rejection of the bid or proposal.

- A – This page contains information relating to "trade secrets", and "proprietary information" including processes. Operations, style of work, or apparatus. Identify confidential statistical data. Amount or source of any income...of any person (or) partnership. "See Virginia Public Procurement Act. Section 2.2-4342. Unauthorized disclosure of such information would violate the Trade Secrets Act 18 U.S.C. 1905.
- B – This page contains proprietary information including confidential, commercial or financial information which was provided to the Government on a voluntary basis and is of the type that would not customarily release to the public. See Virginia Public Procurement Act, Section 2.2-4342; 5 U.S.C. 552 (b) (4); 12 C.F.R. 309.5(c) (4).
- C – This page contains proprietary information including confidential, commercial or financial information. The disclosure of such information would cause substantial harm to competitive position and impair the Government's ability to obtain necessary information from contractors in the future. 5 U.S.C. See Virginia Public Procurement Act. Section 2.2-4342; 552 (b) (4); 12 C. F. R 309.5(c) (4).

**SIGNATURE FORM**  
**RFP CP #0751**  
**Professional Auditing Services**  
**Roanoke Valley Resource Authority**

My signature certifies that the proposal as submitted complies with all Terms and Conditions as set forth in RFP CP #0751.

My signature also certifies that the accompanying proposal is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business or commerce, or any act of fraud punishable under Title 18.2, Chapter 12, Article 1.1 of the *Code of Virginia*, 1950 as amended. Furthermore, I understand that fraud and unlawful collusion are crimes under the Virginia Governmental Frauds Act, the Virginia Government Bid Rigging Act, the Virginia Antitrust Act and Federal Law, and can result in fines, prison sentences, and civil damage awards.

My signature also certifies that this firm has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest to the County of Roanoke or the Authority, and that there are no principals, officers, agents, employees, or representatives of this firm that have any business or personal relationships with any other companies or persons that could be considered as a conflict of interest or a potential conflict of interest to the County of Roanoke or the Authority, pertaining to any and all work or services to be performed as a result of this request and any resulting contract with the County of Roanoke or the Authority.

I hereby certify that I am authorized to sign as a Representative for the Firm:

Firm Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

FEIN \_\_\_\_\_ Email \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Name/Title (please print) \_\_\_\_\_

Date \_\_\_\_\_